



MEMBER OF PARLIAMENT



PETER GOLDRING

Recently Alberta Views magazine published an article on homelessness in the province, calling on all levels of government to increase their efforts in housing the homeless. However the author tried to make her point using highly questionable, incompletely quoted statistics that paint a misleading picture of the financial costs of Canada's homeless, let alone a reasonable evaluation of their plight. Peter Goldring explains.

The Homeless - Creative Costing

A widely referenced 2007 report by Gordon Laird titled *Shelter* says that supporting a Canada-wide homeless population of 150,000 people costs Canadian taxpayers \$4.5 – \$6 billion per year. To remedy this, Tim Richter, CEO of the Calgary Homeless Foundation, called for \$2 billion for 11,250 new affordable social housing units over 10 years for Calgary's 4,000 homeless - with supports, as well as a basket of tax benefits for non-profit organizations!

Yet in all of Canada there are approximately 26,000 emergency shelter beds and spaces.

The implication by Laird and by Tim Richter therefore was that there were 125,000 homeless people sleeping on the streets and under bridges across the country, which was and is ridiculous.

Similarly, an August 2008 report by Richter and Associates came up an average cost per homeless person of \$99,559 (\$100,000) by jiggling numbers to fit. While that report did use Edmonton's 2006 total homeless count of 2,618 persons, it arrived at the costing by using numbers for others that have never been

enumerated by any homeless counts – simply because they are not homeless. Of the \$257 million cost for the homeless in Edmonton and to arrive at the magical \$100,000 per homeless person amount, the report included \$196 million costing from Child and Family Services alone, and an additional costing of \$4 million from prisons. Using that logic have a public, taxpayer-paid right to

have an empty home for the period of their incarceration for when they are released.



The House of Refuge Mission serves Edmonton's homeless, relying on the generous gifts of its supporters and not on government funding.



These two reports, with two vastly different methodologies, similarly describe a great fiscal need with no proven justification. The appearance is that it serves the social welfare homeless industry to have the highest costing possible which allows them to then claim a savings for taxpayers if their proposals are implemented!

Based on highly questionable numerology, the direct costs to implement Calgary's 10-year plan would effect a wonderful savings of \$3.6 billion by 2018. Taxpayers save \$3.6 billion by spending a mere \$20 million in Calgary alone.

The supposed \$100,000 cost for each homeless person simply doesn't add up. Using that number, the 4,060 people counted as homeless in Calgary in 2008 would cost taxpayers more than \$400 million annually. In Edmonton the cost for the 3,079 counted homeless that year would be more than \$300 million, an amount roughly equivalent to the entire amount of residential property tax paid by 1,000,000 Edmontonians.

Not every homeless person costs the taxpayers \$100,000 annually, although some do. This number is properly used to describe the social costs of only the chronically homeless which are estimated by the US Interagency Council on Homelessness, the leader in the

field, to be only 10% of the enumerated number of homeless people.

So why is the larger number being used? The multi-billion dollar non-profit homeless industry funding is being driven by grossly misleading costing numbers, fed obviously to gullible media and trusting governments. For example, the Housing Subcommittee of the Edmonton Committee to End Homelessness

was presented with a mission statement that read: "The Housing Sub Committee will develop a plan that will result in the provision of short and long term housing options for the current chronically homeless population in Edmonton of over 3,000 individuals." But the number of chronically homeless in the city at that time statistically was maybe about 300, certainly not 3,000. Interestingly this mission

statement, proposed by the Chair of Homeward Trust, was not part of the final Committee report – but the mindset in dollars and conclusions definitely is there.

The original 10-year plan to end homelessness, developed by Philip Mangano as Executive Director of the United States Interagency Council on Homelessness, is not being modeled and followed! His plan identified only the chronically homeless, or 150,000 in all of the USA, being the 10% that can cost



The Mayfair Village project to be built at Jasper Avenue and 109 St. would create 237 units of affordable housing, saving taxpayers \$40 million over most non-profit rental housing projects.



up to \$100,000 per year in shelter and emergency services. In Canada the comparable chronically homeless number should be approximately 15,000. Edmonton's count should be maybe 300, with possibly 400 for Calgary.

Of the 3,079 homeless counted in Edmonton in 2008 (2,421 in 2010), fully 50-60% simply need affordable, independent living, rental housing, such as the Mayfair Village project from developer ProCura currently being constructed. They do not each cost the taxpayer \$100,000 per year. Most do not cost a penny more than average citizens and they don't need social non-profit hand holding. They need independent living, ProCura type, rental housing provided at a fraction of the cost to taxpayers of the social industry's projects

Given the wild exaggeration of costing numbers both in the Calgary Homeless Committee report and the Edmonton Homeless Committee report, the province is quite correct to reassess what they are doing rather than to extend funding beyond simply affordable housing efforts until the industry itself takes a hard look at the dissenting numerology.

I was unanimously nominated by the Edmonton area Members of Parliament to represent them on the Edmonton Committee to End Homelessness in 10 Years and over the many

years have been familiar with the tactics used to reinforce a predetermined, pre-predicted, predictable outcomes of supposed financial need. The \$100,000 per year number for 3,000 homeless persons in the city of Edmonton was being quoted by Jay Freeman of the City of Edmonton long before the Committee had a chance to examine it. The number was predictably carried through into the Committee report.



On one visit to the Women's Emergency Accommodation Centre (WEAC) Peter Goldring was told that more than 50% of those using the shelter did so because they were unable to find simple, affordable rental housing.

But the substantiating for the ask by the socialist-led housing subcommittee of the Edmonton Committee to End Homelessness in 10 Years was still floating around in Never-Never land, not surfacing until the very last drafts, far away from Committee meetings, review and approval.

The growing homelessness problem can best be effectively first addressed by

dealing with the issue of housing affordability, which would include private sector or non-profit sector proposals for the housing of the chronically homeless. Affordability is a major root cause of homelessness.

Many so-called experts, some very well-meaning, some self-serving, arrive at times like this with ever greater requests for public funds, ever greater in this case homeless, of the greatly exaggerated public need, but proffering potential taxpayer savings to sell this

created crisis to the public and to governments of all levels, that only the social non-profits can solve the situation.

Homelessness is an extremely complex and involved expression with a multitude of definitions of needs, far beyond simply being without a home. It is imperative to decide a national definition to properly describe needs that can be rationally acted upon, then work both with the private for-profit sector and the non-profit sector to achieve equitable results together.

The United States has modeled how to deal with the homelessness issue – create a national understanding of the issue, define it as

best possible, decide how to most effectively deal with the chronic portion of the homeless number and then implement that plan. It is my suggestion that Canada form a comparable agency to the United States Interagency Council on Homelessness to begin the process nationally.

Update: The Mayfair Village project to be built at the intersection of Jasper Avenue and 109 Street would create 237 units of singles and couples affordable rental housing. This private sector approach will result in a saving to taxpayers of \$40 million over non-profit housing.

9111 - 118th Ave.
Edmonton, AB T5B 0T9
(780) 495-3261
Fax: 495-5142

Web Site:
www.petergoldring.ca
Email:
peter.goldring.c1@parl.gc.ca

411 Justice Bldg.
Ottawa, ON K1A 0A6
(613) 992-3821
Fax: 992-6898

This brochure series is intended to highlight special issues that Member of Parliament, Peter Goldring, has been involved in. If you wish to comment, please take a moment to fill out the survey below, write or call to the address above.

Your Opinion Matters...

Do you think building new social service housing units would end Edmonton's homeless problems?

Yes No

Should government do more to encourage the private sector rental development industry to be more involved in creating entry-level affordable rental housing?

Yes No

Comments: _____

Name: _____
Address: _____
City: _____
Postal Code: _____
Telephone: _____



Peter Goldring
Member of Parliament
Edmonton East
House of Commons
Ottawa, ON K1A 0A6